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March 28, 2013

VIA E-MAIL

Joseph Neurauter, Esq.
Suspension and Debarment Official
U.S. General Services Administration
1275 1st Street NE, Room 770
Washington, DC 20417

Re: Notice of Non-Prosecution Agreement Involving United Parcel Service, Inc.

Dear Mr. Neurauter:

I am writing to respectfully notify you, as the Suspension/Debarment Official for the U.S. General Services Administration ("GSA"), of a Non-Prosecution Agreement that my client, United Parcel Service, Inc. ("UPS"), will enter into in the near future with the U.S. Department of Justice ("DoJ"). We direct this notice to your attention (b) (4)

The Non-Prosecution Agreement ("NPA") is unrelated to a public contract or subcontract. Rather, it concerns the distribution by Internet pharmacies, through UPS's delivery services, of controlled substances and prescription drugs without a valid prescription. UPS acknowledges in the NPA that, despite being on notice that such Internet pharmacies were using its services, it did not implement procedures to close the accounts of such pharmacies, permitting them ship controlled substances and prescription drugs from 2003 to 2010.

Under the terms of the NPA, UPS will accept corporate responsibility for its conduct, pay \$40,000,000 to the United States, enforce the specific terms of a Compliance Program required by the NPA for a period of two years (unless that term is reduced by the Government), and continue to cooperate fully with the DoJ and the Drug Enforcement Administration in any ongoing investigation. In light of this cooperation, the DoJ has agreed to advise you, upon request, of the nature and quality of UPS's cooperation and remediation. We expect that the NPA could be executed and publicly announced by the DoJ as early as tomorrow, March 29, 2013, or sometime shortly thereafter.

As a Federal contractor, UPS understands the need to conduct itself with the highest degree of integrity and honesty. It also understands the importance of remaining "presently responsible" at all times in connection with its Government business, so we would appreciate the opportunity to meet with you and your staff to demonstrate such responsibility at your earliest convenience. We would also be pleased to provide a copy of the NPA upon its finalization, along with any other documents you deem appropriate.

Please let me know when you would be available for a meeting. Thanks very much.

Sincerely,

(b) (6)

Richard P. Rector

cc: Maria Swaby, Esq. (via e-mail)
Director, GSA Suspension & Debarment and
Contract Remedies Division



Joseph Neurauter, Esq.
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